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FILED IN THE  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

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**CR-07-0087-WFN**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

9  
10 UNITED STATES OF AMERICA,

11 Plaintiff,

12  
13  
14 vs.

15  
16 FREDERICK MANFRED SIMON and  
17 MANFRED O. SIMON,

18 Defendants.

SUPERSEDING  
INDICTMENT

Vio: 18 U.S.C. §§ 371, 1341,  
1343 - Conspiracy to  
Commit Mail Fraud and  
Wire Fraud (Count 1)

18 U.S.C. § 1956(a)(2)(B)(i)  
- Money Laundering  
(Counts 2-4, 6-7)

18 U.S.C. § 1343 - Wire  
Fraud (Counts 5, 8, 10, 13-  
17)

18 U.S.C. § 1341 - Mail  
Fraud (Counts 9, 11, 12,  
18)

18 U.S.C. § 981(a)(1)(C)  
and 28 U.S.C. § 2461 -  
Forfeiture (Count 19)

19  
20  
21  
22  
23 The Grand Jury charges:

24 THE DEFENDANTS AND THEIR BUSINESS

25 At all times material to this Superseding Indictment:

26 1. Defendant FREDERICK MANFRED SIMON owned and operated  
27 Railway Logistics International, Inc.  
28

SUPERSEDING INDICTMENT - 1

1           2. Defendant MANFRED O. SIMON was the Treasurer and Chief Financial  
2 Officer for Railway Logistics International, Inc. He is the father of defendant  
3 FREDERICK MANFRED SIMON.

4           3. Railway Logistics International, Inc., was incorporated in the State of  
5 Montana in 2002 and was re-incorporated in the State of Delaware in 2004.  
6 Railway Logistics International, Inc., was in the business of offering for sale  
7 railway and industrial components and equipment.

8           4. Railway Logistics International, Inc., maintained a checking account at  
9 Bank of America in Spokane, Washington. Defendants FREDERICK MANFRED  
10 SIMON and MANFRED O. SIMON had signature authority on the business  
11 checking account.

12           THE SCHEME TO DEFRAUD: ADVANCE FEE SCHEME

13           5. Beginning on a date unknown to the Grand Jury, but not later than on or  
14 about July 12, 2004, and continuing until at least on or about March 12, 2007, in  
15 the Eastern District of Washington and elsewhere, defendant FREDERICK  
16 MANFRED SIMON devised, and intended to devise, a scheme and artifice to  
17 defraud and to obtain money and property by means of materially false and  
18 fraudulent pretenses, representations, and promises involving the sale of railway  
19 and industrial components and equipment and the acquisition of railway and  
20 industrial components and equipment.

21           6. It was a part of the scheme and artifice to defraud that defendant  
22 FREDERICK MANFRED SIMON transmitted, and caused to be transmitted,  
23 writings, signs, signals, and pictures by means of wire and radio in interstate and  
24 foreign commerce for the purpose of executing the scheme and artifice to defraud,  
25 in that FREDERICK MANFRED SIMON had Railway Logistics International,  
26 Inc., maintain a website that represented the company's ability to supply railway  
27 and industrial components and equipment.

28  
SUPERSEDING INDICTMENT - 2

1           7. It was a further part of the scheme and artifice to defraud that defendants  
2 FREDERICK MANFRED SIMON and MANFRED O. SIMON transmitted, and  
3 caused to be transmitted, writings, signs, signals, and pictures by means of wire  
4 and radio in interstate and foreign commerce for the purpose of executing the  
5 scheme and artifice to defraud, in that the defendants used e-mail, telephone calls,  
6 and facsimile transmissions, and caused customers to use e-mail, telephone calls,  
7 facsimile transmissions, and wire transfers of funds, and through these means the  
8 defendants would agree to sell railway and industrial components and equipment;  
9 would collect money as partial or full payment from the customers based on  
10 material pretenses, representations, and promises that Railway Logistics  
11 International, Inc., had the specific components or equipment available, or had the  
12 ability to acquire the specific components or equipment. Railway Logistics  
13 International, Inc. would fail to deliver some or all of the components or  
14 equipment to the buyers; and would fail to refund the money that the customers  
15 paid to Railway Logistics International, Inc., for the components or equipment.

16           8. It was a further part of the scheme and artifice to defraud that defendants  
17 FREDERICK MANFRED SIMON and MANFRED O. SIMON transmitted, and  
18 caused to be transmitted, writings, signs, signals, and pictures by means of wire  
19 and radio in interstate and foreign commerce for the purpose of executing the  
20 scheme and artifice to defraud, in that the defendants used e-mail, telephone calls,  
21 facsimile transmissions, and wire transfers of funds, and caused suppliers to use e-  
22 mail, telephone calls, and facsimile transmissions, and through these means the  
23 defendants would agree to purchase railway and industrial components and  
24 equipment based on material pretenses, representations, and promises that Railway  
25 Logistics International, Inc., would pay the suppliers for the railway and industrial  
26 components and equipment according to the terms that the suppliers set when the  
27 defendants knew that Railway Logistics International, Inc., would not pay the  
28

SUPERSEDING INDICTMENT - 3

1 suppliers according to the suppliers' terms.

2 9. It was a further part of the scheme and artifice to defraud that defendants  
3 FREDERICK MANFRED SIMON and MANFRED O. SIMON placed in a post  
4 office or an authorized depository for mail matter, and caused to be placed in a  
5 post office or an authorized depository for mail matter, an item to be sent and  
6 delivered according to the direction on the item by the U.S. Postal Service; and  
7 deposited and caused to be deposited an item to be sent and delivered according to  
8 the direction on the item by a commercial interstate carrier; and received an item  
9 that had been sent and delivered through the U.S. Postal Service; and received an  
10 item that had been sent and delivered through a commercial interstate carrier; for  
11 the purpose of executing the scheme and artifice to defraud, and for the purpose of  
12 attempting to execute the scheme and artifice to defraud, in that the defendants  
13 used the U.S. Postal Service and a commercial interstate carrier, and caused  
14 customers to use the U.S. Postal Service and a commercial interstate carrier, to  
15 send partial or full payment and documents related to orders based on material  
16 pretenses, representations, and promises that Railway Logistics International, Inc.,  
17 had the specific components or equipment available, or had the ability to acquire  
18 the specific components or equipment. Railway Logistics International, Inc.,  
19 would fail to deliver some or all of the components or equipment to the buyers and  
20 would fail to refund the money that the customers paid to Railway Logistics  
21 International, Inc., for the components or equipment.

22 10. It was a further part of the scheme and artifice to defraud that  
23 defendants FREDERICK MANFRED SIMON and MANFRED O. SIMON caused  
24 suppliers to place in a post office or an authorized depository for mail matter, an  
25 item to be sent and delivered according to the direction on the item by the U.S.  
26 Postal Service; and that the defendants received an item that had been sent and  
27 delivered through the U.S. Postal Service; for the purpose of executing the scheme  
28

SUPERSEDING INDICTMENT - 4

1 and artifice to defraud, and for the purpose of attempting to execute the scheme  
2 and artifice to defraud, in that the defendants used the U.S. Postal Service, and  
3 caused suppliers to use the U.S. Postal Service, to send invoices and other  
4 documents related to orders based on material pretenses, representations, and  
5 promises that Railway Logistics International, Inc., would pay the suppliers for the  
6 railway and industrial components and equipment according to the terms that the  
7 suppliers set when the defendants knew that Railway Logistics International, Inc.,  
8 would not pay the suppliers according to the suppliers' terms.

9  
10 COUNT ONE: CONSPIRACY TO COMMIT MAIL AND WIRE FRAUD

11 11. Paragraphs 1 through 10 of the Superseding Indictment are  
12 incorporated into Count One by this reference.

13 12. Beginning on a date unknown to the Grand Jury, but not later than on or  
14 about July 12, 2004, and continuing until at least on or about March 12, 2007, in  
15 Spokane County, Eastern District of Washington, and elsewhere, defendants  
16 FREDERICK MANFRED SIMON and MANFRED O. SIMON did knowingly  
17 and intentionally agree and conspire with each other to devise a scheme and  
18 artifice to defraud and to obtain money and property by means of material false  
19 and fraudulent pretenses, representations, and promises, through the use of wire  
20 communications in interstate and foreign commerce, specifically, interstate and  
21 international e-mails, telephone calls, facsimile transmissions, and wire transfers  
22 of funds, and through the use of the U.S. Postal Service and a commercial  
23 interstate carrier, specifically, to receive payments and other documents related to  
24 orders from customers and to receive invoices and other documents related to  
25 orders from suppliers, for the purpose of executing the scheme or artifice to  
26 defraud.

1        13. In furtherance of the agreement and to accomplish the objects of the  
2 conspiracy, defendants FREDERICK MANFRED SIMON and MANFRED O.  
3 SIMON performed the following overt acts in the Eastern District of Washington  
4 and elsewhere:

5            A. On or about July 12, 2004, MANFRED O. SIMON arranged for a  
6 wire transfer in the amount of \$2,500 from the account of Railway  
7 Logistics International, Inc., at Bank of America in Spokane,  
8 Washington, to the account of FREDERICK MANFRED SIMON at  
9 Deutsche Bank in Frankfurt, Germany.

10           B. On or about July 21, 2004, MANFRED O. SIMON arranged for a  
11 wire transfer in the amount of \$600 from the account of Railway  
12 Logistics International, Inc., at Bank of America in Spokane,  
13 Washington, to the account of FREDERICK MANFRED SIMON at  
14 Deutsche Bank in Frankfurt, Germany.

15           C. On or about July 30, 2004, MANFRED O. SIMON arranged for a  
16 wire transfer in the amount of \$500 from the account of Railway  
17 Logistics International, Inc., at Bank of America in Spokane,  
18 Washington, to the account of FREDERICK MANFRED SIMON at  
19 Deutsche Bank in Frankfurt, Germany.

20           D. On or about August 8, 2004, FREDERICK MANFRED SIMON  
21 sent an e-mail to Instruser Company that informed the customer that  
22 its order was expected to be ready in the coming week and that a  
23 representative of Instruser Company should plan to come to "our  
24 facility in Spokane," Washington, if the company wanted to inspect  
25 the components.

26           E. On or about August 31, 2004, MANFRED O. SIMON arranged  
27 for a wire transfer in the amount of \$3,500 from the account of  
28

SUPERSEDING INDICTMENT - 6

1 Railway Logistics International, Inc., at Bank of America in Spokane,  
2 Washington, to the account of FREDERICK MANFRED SIMON at  
3 Deutsche Bank in Frankfurt, Germany.

4 F. On or about September 14, 2004, MANFRED O. SIMON arranged  
5 for a wire transfer in the amount of \$200 from the account of Railway  
6 Logistics International, Inc., at Bank of America in Spokane,  
7 Washington, to the account of FREDERICK MANFRED SIMON at  
8 Deutsche Bank in Frankfurt, Germany.

9 G. On or about October 8, 2004, MANFRED O. SIMON arranged  
10 for a wire transfer in the amount of \$30,000 from the account of  
11 Railway Logistics International, Inc., at Bank of America in Spokane,  
12 Washington, to the account of FREDERICK MANFRED SIMON at  
13 Deutsche Bank in Frankfurt, Germany.

14 H. On or about October 13, 2004, MANFRED O. SIMON arranged  
15 for a wire transfer in the amount of \$4,000 from the account of  
16 Railway Logistics International, Inc., at Bank of America in Spokane,  
17 Washington, to the account of FREDERICK MANFRED SIMON at  
18 Deutsche Bank in Frankfurt, Germany.

19 I. On or about October 15, 2004, MANFRED O. SIMON arranged  
20 for a wire transfer in the amount of \$4,000 from the account of  
21 Railway Logistics International, Inc., at Bank of America in Spokane,  
22 Washington, to the account of FREDERICK MANFRED SIMON at  
23 Deutsche Bank in Frankfurt, Germany.

24 J. On or about October 21, 2004, MANFRED O. SIMON arranged  
25 for a wire transfer in the amount of \$4,000 from the account of  
26 Railway Logistics International, Inc., at Bank of America in Spokane,  
27 Washington, to the account of FREDERICK MANFRED SIMON at  
28

SUPERSEDING INDICTMENT - 7



1 Deutsche Bank in Frankfurt, Germany.

2 K. On or about October 26, 2004, MANFRED O. SIMON arranged  
3 for a wire transfer in the amount of \$1,000 from the account of  
4 Railway Logistics International, Inc., at Bank of America in Spokane,  
5 Washington, to the account of FREDERICK MANFRED SIMON at  
6 Deutsche Bank in Frankfurt, Germany.

7 L. On or about November 1, 2004, MANFRED O. SIMON arranged  
8 for a wire transfer in the amount of \$2,000 from the account of  
9 Railway Logistics International, Inc., at Bank of America in Spokane,  
10 Washington, to the account of FREDERICK MANFRED SIMON at  
11 Deutsche Bank in Frankfurt, Germany.

12 M. On or about January 7, 2005, FREDERICK MANFRED SIMON  
13 sent an e-mail to Power Resources Limited that informed the  
14 customer that a portion of its order "has been dropped at another  
15 freight forwarder" and that the customer would receive updates from  
16 FREDERICK MANFRED SIMON or "our warehouse/shipping  
17 manager."

18 N. On or about January 19, 2005, FREDERICK MANFRED SIMON  
19 prepared a Purchase Order to obtain o-rings and gaskets from Durox  
20 Company.

21 O. On or about March 23, 2005, FREDERICK MANFRED SIMON  
22 sent an e-mail to Consorcio de Ingenieria del Sureste S.A. de C.V.,  
23 stating that he would advise "our financial manager" about the  
24 customer's plan to send a wire transfer of funds and offering "to  
25 dispatch one of our West Coast technical representatives to the site to  
26 assist with the work" if the repairs to the Mexican naval vessel was to  
27 occur at Pearl Harbor, Hawaii.



1 P. On or about March 30, 2005, MANFRED O. SIMON arranged for  
2 a wire transfer in the amount of \$5,000 from the account of Railway  
3 Logistics International, Inc., at Bank of America in Spokane,  
4 Washington, to the account of FREDERICK MANFRED SIMON at  
5 Deutsche Bank in Frankfurt, Germany.

6 Q. On or about April 25, 2005, FREDERICK MANFRED SIMON  
7 sent an e-mail to Melex Fuel Injection Systems, Inc., with a copy to  
8 "msimon@railogist.com", asking "Where did you send the invoices?"  
9 The e-mail provided a mailing address for invoices: "Railway  
10 Logistics International Corp., Attn: Accts Pybl, N9986 Newport Hwy  
11 #165, Spokane, WA 99218."

12 R. On or about May 5, 2005, FREDERICK MANFRED SIMON sent  
13 an e-mail to Codimo, S.A., stating that he had referred the customer's  
14 request for a refund to the Finance Manager.

15 S. On or about June 17, 2005, FREDERICK MANFRED SIMON  
16 sent an e-mail to D and L Diesels, Limited, that informed the  
17 customer that another employee of Railway Logistics International,  
18 Inc., "is out on an emergency operation" and assuring the customer  
19 that Railway Logistics International will "get this wrapped up."

20 T. On or about September 2, 2005, FREDERICK MANFRED  
21 SIMON sent an e-mail to Aurora Electric Motors that provided the  
22 customer with bank account information for Railway Logistics  
23 International, Inc., and requested a 50% down payment.

24 U. On or about May 17, 2006, FREDERICK MANFRED SIMON  
25 sent an e-mail to Upstate Power Components that informed the  
26 customer that Railway Logistics International, Inc., would wire a  
27 refund.  
28

1 V. Sometime between July 15, 2006, and November 21, 2006,  
2 FREDERICK MANFRED SIMON provided the Managing Director  
3 of Goltens Business with cellular telephone number (302) 565-4939  
4 so that the Managing Director could discuss with him the failure of  
5 Railway Logistics International, Inc., to deliver the crank shaft that  
6 the customer had ordered.

7 W. On or about January 10, 2007, FREDERICK MANFRED  
8 SIMON sent an e-mail to Technology International, Inc., stating that  
9 he "just received word from Manny, our Finance Manager and he  
10 prefers that the funds are transferred by wire to the account  
11 information shown on the face of our formal quote (see attached)."

12 X. On or about January 11, 2007, FREDERICK MANFRED SIMON  
13 sent an e-mail to AmeriMex Motor and Controls, Inc., stating that  
14 Railway Logistics International, Inc.'s, "finance manager has  
15 confirmed the receipt of your wire – thank you."

16 Y. On or about February 22, 2007, FREDERICK MANFRED  
17 SIMON signed an affidavit under oath asserting that Railway  
18 Logistics International, Inc., had not paid Clark Filter, Inc., because  
19 Railway Logistics International had delivered the parts that Clark  
20 Filter, Inc., had supplied on a military contract in Iraq and the United  
21 States Government had not yet paid Railway Logistics International.

22 14. All in violation of Title 18, United States Code, Sections 371, 1341, and  
23 1343.

24 COUNT TWO: MONEY LAUNDERING

25 15. Paragraphs 1 through 10 of the Superseding Indictment are  
26 incorporated into Count Two by this reference.

27  
28 SUPERSEDING INDICTMENT - 10

1        16. On or about July 12, 2004, in Spokane County, Eastern District of  
2 Washington, and elsewhere, defendants FREDERICK MANFRED SIMON and  
3 MANFRED O. SIMON did knowingly and intentionally cause a monetary  
4 instrument and funds, in the amount of approximately \$2,500, to be transmitted  
5 and transferred from a place inside the United States, specifically, Spokane,  
6 Washington, to a place outside the United States, specifically, Frankfurt, Germany,  
7 knowing that the monetary instrument and the funds involved in the transmission  
8 and the transfer represented the proceeds of some form of unlawful activity, and  
9 knowing that the transmission and the transfer of the monetary instrument and the  
10 funds was designed in whole or in part to conceal and disguise the location, the  
11 ownership, and the control of the proceeds of specified unlawful activity,  
12 specifically, wire fraud in violation of Title 18, United States Code, Section 1343,  
13 that FREDERICK MANFRED SIMON committed by making a material false  
14 representation to Instruser Company, of Miami, Florida, in connection with the  
15 purported sale by Railway Logistics International, Inc., a company that  
16 FREDERICK MANFRED SIMON controlled, of electric panels for a locomotive,  
17 which FREDERICK MANFRED SIMON did not intend to deliver; all in violation  
18 of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2.

19                    COUNT THREE: MONEY LAUNDERING

20        17. Paragraphs 1 through 10 of the Superseding Indictment are  
21 incorporated into Count Three by this reference.

22        18. On or about July 21, 2004, in Spokane County, Eastern District of  
23 Washington, and elsewhere, defendants FREDERICK MANFRED SIMON and  
24 MANFRED O. SIMON did knowingly and intentionally cause a monetary  
25 instrument and funds, in the amount of approximately \$600, to be transmitted and  
26 transferred from a place inside the United States, specifically, Spokane,  
27 Washington, to a place outside the United States, specifically, Frankfurt, Germany,  
28

SUPERSEDING INDICTMENT - 11

1 knowing that the monetary instrument and the funds involved in the transmission  
2 and the transfer represented the proceeds of some form of unlawful activity, and  
3 knowing that the transmission and the transfer of the monetary instrument and the  
4 funds was designed in whole or in part to conceal and disguise the location, the  
5 ownership, and the control of the proceeds of specified unlawful activity,  
6 specifically, wire fraud in violation of Title 18, United States Code, Section 1343,  
7 that FREDERICK MANFRED SIMON committed by making a material false  
8 representation to Instruser Company, of Miami, Florida, in connection with the  
9 purported sale by Railway Logistics International, Inc., a company that  
10 FREDERICK MANFRED SIMON controlled, of electric panels for a locomotive,  
11 which FREDERICK MANFRED SIMON did not intend to deliver; all in violation  
12 of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2.

13 COUNT FOUR: MONEY LAUNDERING

14 19. Paragraphs 1 through 10 of the Superseding Indictment are  
15 incorporated into Count Four by this reference.

16 20. On or about July 30, 2004, in Spokane County, Eastern District of  
17 Washington, and elsewhere, defendants FREDERICK MANFRED SIMON and  
18 MANFRED O. SIMON did knowingly and intentionally cause a monetary  
19 instrument and funds, in the amount of approximately \$500, to be transmitted and  
20 transferred from a place inside the United States, specifically, Spokane,  
21 Washington, to a place outside the United States, specifically, Frankfurt, Germany,  
22 knowing that the monetary instrument and the funds involved in the transmission  
23 and the transfer represented the proceeds of some form of unlawful activity, and  
24 knowing that the transmission and the transfer of the monetary instrument and the  
25 funds was designed in whole or in part to conceal and disguise the location, the  
26 ownership, and the control of the proceeds of specified unlawful activity,  
27 specifically, wire fraud in violation of Title 18, United States Code, Section 1343,  
28

SUPERSEDING INDICTMENT - 12

1 that FREDERICK MANFRED SIMON committed by making a material false  
2 representation to Instruser Company, of Miami, Florida, in connection with the  
3 purported sale by Railway Logistics International, Inc., a company that  
4 FREDERICK MANFRED SIMON controlled, of electric panels for a locomotive,  
5 which FREDERICK MANFRED SIMON did not intend to deliver; all in violation  
6 of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2.

7 COUNT FIVE: WIRE FRAUD

8 21. Paragraphs 1 through 10 of the Superseding Indictment are  
9 incorporated into Count Five by this reference.

10 22. On or about October 8, 2004, in Spokane County, Eastern District of  
11 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
12 purpose of executing a scheme and artifice to defraud and to obtain money by  
13 means of material false and fraudulent pretenses and representations, knowingly  
14 caused Power Resources Limited, in Bowden, Cheshire, United Kingdom, to  
15 arrange for a wire transfer in the amount of \$39,302.06, that traveled in foreign  
16 and interstate commerce, from National Westminster Bank, in the United  
17 Kingdom, to an account for Railway Logistics International, Inc., a company that  
18 FREDERICK MANFRED SIMON controlled, at Bank of America in Spokane,  
19 Washington, which represented full payment on diesel engine parts that Power  
20 Resources Limited ordered through an exchange of e-mails and a telephone call  
21 from FREDERICK MANFRED SIMON's company, but which FREDERICK  
22 MANFRED SIMON did not intend to deliver in full; all in violation of Title 18,  
23 United States Code, Sections 1343 and 2.

24 COUNT SIX: MONEY LAUNDERING

25 23. Paragraphs 1 through 10 of the Superseding Indictment are  
26 incorporated into Count Six by this reference.

1        24. On or about October 8, 2004, in Spokane County, Eastern District of  
2 Washington, and elsewhere, defendants FREDERICK MANFRED SIMON and  
3 MANFRED O. SIMON did knowingly and intentionally cause a monetary  
4 instrument and funds, in the amount of approximately \$30,000, to be transmitted  
5 and transferred from a place inside the United States, specifically, Spokane,  
6 Washington, to a place outside the United States, specifically, Frankfurt, Germany,  
7 knowing that the monetary instrument and the funds involved in the transmission  
8 and the transfer represented the proceeds of some form of unlawful activity, and  
9 knowing that the transmission and the transfer of the monetary instrument and the  
10 funds was designed in whole or in part to conceal and disguise the location, the  
11 ownership, and the control of the proceeds of specified unlawful activity,  
12 specifically, wire fraud in violation of Title 18, United States Code, Section 1343,  
13 that FREDERICK MANFRED SIMON committed by making a material false  
14 representation to Power Resources Limited, in Bowden, Cheshire, United  
15 Kingdom, in connection with the purported sale by Railway Logistics  
16 International, Inc., a company that FREDERICK MANFRED SIMON controlled,  
17 of diesel engine parts, which FREDERICK MANFRED SIMON did not intend to  
18 deliver in full; all in violation of Title 18, United States Code, Sections  
19 1956(a)(2)(B)(i) and 2.

20                    COUNT SEVEN: MONEY LAUNDERING

21        25. Paragraphs 1 through 10 of the Superseding Indictment are  
22 incorporated into Count Seven by this reference.

23        26. On or about October 13, 2004, in Spokane County, Eastern District of  
24 Washington, and elsewhere, defendants FREDERICK MANFRED SIMON and  
25 MANFRED O. SIMON did knowingly and intentionally cause a monetary  
26 instrument and funds, in the amount of approximately \$4,000, to be transmitted  
27 and transferred from a place inside the United States, specifically, Spokane,  
28

SUPERSEDING INDICTMENT - 14

1 Washington, to a place outside the United States, specifically, Frankfurt, Germany,  
2 knowing that the monetary instrument and the funds involved in the transmission  
3 and the transfer represented the proceeds of some form of unlawful activity, and  
4 knowing that the transmission and the transfer of the monetary instrument and the  
5 funds was designed in whole or in part to conceal and disguise the location, the  
6 ownership, and the control of the proceeds of specified unlawful activity,  
7 specifically, wire fraud in violation of Title 18, United States Code, Section 1343,  
8 that FREDERICK MANFRED SIMON committed by making a material false  
9 representation to Power Resources Limited, in Bowden, Cheshire, United  
10 Kingdom, in connection with the purported sale by Railway Logistics  
11 International, Inc., a company that FREDERICK MANFRED SIMON controlled,  
12 of diesel engine parts, which FREDERICK MANFRED SIMON did not intend to  
13 deliver in full; all in violation of Title 18, United States Code, Sections  
14 1956(a)(2)(B)(i) and 2.

15 COUNT EIGHT: WIRE FRAUD

16 27. Paragraphs 1 through 10 of the Superseding Indictment are  
17 incorporated into Count Eight by this reference.

18 28. On or about January 12, 2005, in Spokane County, Eastern District of  
19 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
20 purpose of executing a scheme and artifice to defraud and to obtain money by  
21 means of material false and fraudulent pretenses and representations, knowingly  
22 caused D and L Diesels, Limited, in Wigan, United Kingdom, to arrange for a wire  
23 transfer in the amount of \$10,881, that traveled in foreign and interstate  
24 commerce, from Yorkshire Bank in the United Kingdom, to an account for  
25 Railway Logistics International, Inc., a company that FREDERICK MANFRED  
26 SIMON controlled, at Bank of America, in Spokane, Washington, which  
27 represented a partial payment on diesel engine parts that D and L Diesels, Limited,  
28

SUPERSEDING INDICTMENT - 15



1 ordered through an exchange of e-mails and facsimile transmissions from  
2 FREDERICK MANFRED SIMON's company, but which FREDERICK  
3 MANFRED SIMON did not intend to deliver; all in violation of Title 18, United  
4 States Code, Sections 1343 and 2.

5 COUNT NINE: MAIL FRAUD

6 29. Paragraphs 1 through 10 of the Superseding Indictment are  
7 incorporated into Count Nine by this reference.

8 30. On or about February 8, 2005, in Spokane County, Eastern District of  
9 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
10 purpose of executing the scheme and artifice to defraud, and attempting to execute  
11 the scheme and artifice to defraud, and to obtain property by means of material  
12 false and fraudulent pretenses and representations, knowingly caused to be placed  
13 in a post office or an authorized depository for mail matter, an envelope to be sent  
14 and delivered according to the direction on the envelope by the U.S. Postal  
15 Service, from Clark Filter, Inc., in Lancaster, Pennsylvania, to Railway Logistics  
16 International, ATTN: Manfred O. Simon, N. 9986 Newport Highway # 282,  
17 Spokane, Washington, 99218-0282, which envelope contained invoices for filter  
18 elements in the aggregate amount of \$27,893.76, which Railway Logistics  
19 International, Inc., ordered, but for which FREDERICK MANFRED SIMON did  
20 not intend to pay according to the terms that the supplier set, and FREDERICK  
21 MANFRED SIMON knowingly received the envelope from the U.S. Postal  
22 Service; all in violation of Title 18, United States Code, Sections 1341 and 2.

23 COUNT TEN: WIRE FRAUD

24 31. Paragraphs 1 through 10 of the Superseding Indictment are  
25 incorporated into Count Ten by this reference.

26 32. On or about March 15, 2005, in Spokane County, Eastern District of  
27 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
28

1 purpose of executing a scheme and artifice to defraud and to obtain money by  
2 means of material false and fraudulent pretenses and representations, knowingly  
3 caused Codimo S.A., in Barcelona, Spain, to arrange for a wire transfer in the  
4 amount of \$24,434.08, that traveled in foreign and interstate commerce, from  
5 Banco Popular Espanol, in Spain, to an account for Railway Logistics  
6 International, Inc., a company that FREDERICK MANFRED SIMON controlled,  
7 at Bank of America in Spokane, Washington, which represented partial payment  
8 for fuel injectors, a gasket, 64 fuel injector nozzles, and a test bench for fuel  
9 injectors that Codimo S.A. ordered through an exchange of e-mails from  
10 FREDERICK MANFRED SIMON's company, but which FREDERICK  
11 MANFRED SIMON did not intend to deliver; all in violation of Title 18, United  
12 States Code, Sections 1343 and 2.

13 COUNT ELEVEN: MAIL FRAUD

14 33. Paragraphs 1 through 10 of the Superseding Indictment are  
15 incorporated into Count Eleven by this reference.

16 34. On or about March 15, 2005, in Spokane County, Eastern District of  
17 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
18 purpose of executing the scheme and artifice to defraud, and attempting to execute  
19 the scheme and artifice to defraud, and to obtain property by means of material  
20 false and fraudulent pretenses and representations, knowingly caused to be placed  
21 in a post office or an authorized depository for mail matter, an envelope to be sent  
22 and delivered according to the direction on the envelope by the U.S. Postal  
23 Service, from Durox Company, in Strongsville, Ohio, to Railway Logistics  
24 International, N9986 Newport Highway #165, Spokane, Washington, 99218-0165,  
25 which envelope contained an invoice for o-rings and gaskets in the aggregate  
26 amount of \$4,217.89, which Railway Logistics International, Inc., ordered, but for  
27 which FREDERICK MANFRED SIMON did not intend to pay according to the  
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SUPERSEDING INDICTMENT - 17

1 terms that the supplier set; all in violation of Title 18, United States Code,  
2 Sections 1341 and 2.

3 COUNT TWELVE: MAIL FRAUD

4 35. Paragraphs 1 through 10 of the Superseding Indictment are  
5 incorporated into Count Twelve by this reference.

6 36. On or about March 18, 2005, in Spokane County, Eastern District of  
7 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
8 purpose of executing the scheme and artifice to defraud, and attempting to execute  
9 the scheme and artifice to defraud, and to obtain property by means of material  
10 false and fraudulent pretenses and representations, knowingly caused to be placed  
11 in a post office or an authorized depository for mail matter, an envelope to be sent  
12 and delivered according to the direction on the envelope by the U.S. Postal  
13 Service, from Melex Fuel Injection Systems, Inc., in Raleigh, North Carolina, to  
14 Railway Logistics International, N. 9986 Newport Highway, Spokane,  
15 Washington, 99248, which envelope contained an invoice for gaskets and plunger  
16 barrel assemblies in the aggregate amount of \$2,256.76, which Railway Logistics  
17 International, Inc., ordered, but for which FREDERICK MANFRED SIMON did  
18 not intend to pay according to the terms that the supplier set; all in violation of  
19 Title 18, United States Code, Sections 1341 and 2.

20 COUNT THIRTEEN: WIRE FRAUD

21 37. Paragraphs 1 through 10 of the Superseding Indictment are  
22 incorporated into Count Thirteen by this reference.

23 38. On or about March 29, 2005, in Spokane County, Eastern District of  
24 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
25 purpose of executing a scheme and artifice to defraud and to obtain money by  
26 means of material false and fraudulent pretenses and representations, knowingly  
27 caused Consorcio de Ingenieria del Sureste S.A. de C.V., in Col. Napoles, Mexico,  
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SUPERSEDING INDICTMENT - 18

1 to arrange for a wire transfer in the amount of \$19,213.19, that traveled in foreign  
2 and interstate commerce, from ScotiaBank Inverlat S.A., in Mexico, to an account  
3 for Railway Logistics International, Inc., a company that FREDERICK  
4 MANFRED SIMON controlled, at Bank of America in Spokane, Washington,  
5 which represented full payment on a component for a Mexican naval vessel that  
6 Consorcio de Ingenieria del Sureste S.A. de C.V. ordered through an exchange of  
7 e-mails and telephone calls from FREDERICK MANFRED SIMON's company,  
8 but which FREDERICK MANFRED SIMON did not intend to deliver; all in  
9 violation of Title 18, United States Code, Sections 1343 and 2.

10 COUNT FOURTEEN: WIRE FRAUD

11 39. Paragraphs 1 through 10 of the Superseding Indictment are  
12 incorporated into Count Fourteen by this reference.

13 40. On or about September 8, 2005, in Spokane County, Eastern District of  
14 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
15 purpose of executing a scheme and artifice to defraud and to obtain money by  
16 means of material false and fraudulent pretenses and representations, knowingly  
17 caused Keno Corporation, in El Paso, Texas, which was acting on behalf of  
18 Aurora Electric Motors, of Mexico, to arrange for a wire transfer in the amount of  
19 \$16,500, that traveled in interstate commerce, from Chase Bank of Texas, in  
20 Houston, Texas, to an account for Railway Logistics International, Inc., a  
21 company that FREDERICK MANFRED SIMON controlled, at Bank of America  
22 in Spokane, Washington, which represented partial payment on six electric motors  
23 that Aurora Electric Motors ordered through an exchange of e-mails and telephone  
24 calls from FREDERICK MANFRED SIMON's company, but which FREDERICK  
25 MANFRED SIMON did not intend to deliver; all in violation of Title 18, United  
26 States Code, Sections 1343 and 2.

1 COUNT FIFTEEN: WIRE FRAUD

2 41. Paragraphs 1 through 10 of the Superseding Indictment are  
3 incorporated into Count Fifteen by this reference.

4 42. On or about April 7, 2006, in Spokane County, Eastern District of  
5 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
6 purpose of executing a scheme and artifice to defraud and to obtain money by  
7 means of material false and fraudulent pretenses and representations, knowingly  
8 caused Upstate Power Components, Clifton Park, New York, to arrange for a wire  
9 transfer in the amount of \$3,000, that traveled in interstate commerce, from NBT  
10 Bank, N.A., in Norwich, New York, to an account for Railway Logistics  
11 International, Inc., a company that FREDERICK MANFRED SIMON controlled,  
12 at Bank of America in Spokane, Washington, which represented partial payment  
13 on locomotive parts that Upstate Power Components ordered through an exchange  
14 of e-mails and a telephone call from FREDERICK MANFRED SIMON's  
15 company, but which FREDERICK MANFRED SIMON did not intend to deliver;  
16 all in violation of Title 18, United States Code, Sections 1343 and 2.

17 COUNT SIXTEEN: WIRE FRAUD

18 43. Paragraphs 1 through 10 of the Superseding Indictment are  
19 incorporated into Count Sixteen by this reference.

20 44. On or about July 18, 2006, in Spokane County, Eastern District of  
21 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
22 purpose of executing a scheme and artifice to defraud and to obtain money by  
23 means of material false and fraudulent pretenses and representations, knowingly  
24 caused Goltens Business, in Dubai, United Arab Emirates, to arrange for a wire  
25 transfer in the amount of \$25,896.84, that traveled in foreign and interstate  
26 commerce, from Standard Chartered Bank Limited, in the United Arab Emirates,  
27 to an account for Railway Logistics International, Inc., a company that  
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SUPERSEDING INDICTMENT - 20

1 FREDERICK MANFRED SIMON controlled, at Bank of America in Spokane,  
2 Washington, which represented full payment on a crank shaft that Goltens  
3 Business ordered through an exchange of e-mails from FREDERICK MANFRED  
4 SIMON's company, but which FREDERICK MANFRED SIMON did not intend  
5 to deliver; all in violation of Title 18, United States Code, Sections 1343 and 2.

6 COUNT SEVENTEEN: WIRE FRAUD

7 45. Paragraphs 1 through 10 of the Superseding Indictment are  
8 incorporated into Count Seventeen by this reference.

9 46. On or about January 10, 2007, in Spokane County, Eastern District of  
10 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
11 purpose of executing a scheme and artifice to defraud and to obtain money by  
12 means of material false and fraudulent pretenses and representations, knowingly  
13 caused AmeriMex Motor and Controls, Inc., Houston, Texas, to arrange for a wire  
14 transfer in the amount of \$19,500, that traveled in interstate commerce, from  
15 Comerica Bank, Dallas, Texas, to an account for Railway Logistics International,  
16 Inc., a company that FREDERICK MANFRED SIMON controlled, at Bank of  
17 America in Spokane, Washington, which represented partial payment on traction  
18 motors that AmeriMex Motor and Controls, Inc., ordered through an exchange of  
19 e-mails from FREDERICK MANFRED SIMON's company, but which  
20 FREDERICK MANFRED SIMON did not intend to deliver; all in violation of  
21 Title 18, United States Code, Sections 1343 and 2.

22 COUNT EIGHTEEN: MAIL FRAUD

23 47. Paragraphs 1 through 10 of the Superseding Indictment are  
24 incorporated into Count Eighteen by this reference.

25 48. On or about January 9, 2007, in Spokane County, Eastern District of  
26 Washington, and elsewhere, defendant FREDERICK MANFRED SIMON, for the  
27 purpose of executing the scheme and artifice to defraud, and attempting to execute  
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1 the scheme and artifice to defraud, and to obtain money by means of material false  
2 and fraudulent pretenses and representations, knowingly caused to be deposited an  
3 envelope which contained a check, dated January 9, 2007, in the amount of  
4 \$5,000, that was drawn on the checking account of Technology International, Inc,  
5 at the Bank of America, that was made payable to Railogist International, Inc., and  
6 that represented a down payment for locomotive fuel gauges that Technology  
7 International, Inc., ordered, to be sent and delivered by a commercial interstate  
8 carrier, specifically, United Parcel Service, Next Day Air, from Technology  
9 International, Inc., in Winter Springs, Florida, to Railogist International, Inc., in  
10 Spokane, Washington, and FREDERICK MANFRED SIMON knowingly received  
11 the envelope from United Parcel Service, Next Day Air, but FREDERICK  
12 MANFRED SIMON did not intend to deliver the locomotive fuel gauges; all in  
13 violation of Title 18, United States Code, Sections 1341 and 2.

14 COUNT NINETEEN: FORFEITURE

15 49. Upon conviction of one or more of the offenses that are alleged in  
16 Counts One through Eighteen of this Superseding Indictment, defendant  
17 FREDERICK MANFRED SIMON shall forfeit to the United States of America,  
18 pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28,  
19 United States Code, Section 2461(c), any property constituting proceeds, or  
20 derived from proceeds, obtained directly or indirectly as a result of the violations,  
21 including, but not limited to, the following:

22 Money Judgment

23 A sum of money equal to \$201,785.58 in United States currency,  
24 representing the amount of proceeds obtained as a result of the money  
laundering, wire fraud, and mail fraud offenses.

25 If any of the above-described forfeitable property, as a result of any act or  
26 omission of FREDERICK MANFRED SIMON:

27  
28 SUPERSEDING INDICTMENT - 22



- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461, to seek forfeiture of any other property of FREDERICK MANFRED SIMON up to the value of the forfeitable property described above.

DATED this 23 day of April, 2008.

A TRUE BILL

*Thomas A. McDewitt*  
FOR *James A. McDewitt*  
United States Attorney

*Thomas J. Hopkins*  
Thomas J. Hopkins  
Assistant United States Attorney

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